



OFFICE OF FINANCIAL MANAGEMENT

STATE OF WASHINGTON

OPERATING BUDGET INSTRUCTIONS, PART 1

Guidelines for Strategic Plans and Performance Measures

2005-07 BIENNium

ELECTRONIC ACCESS TO BUDGET INSTRUCTIONS

Information contained in this document is located at: <http://www.ofm.wa.gov/budget.html>

OFM STAFF ASSISTANCE

Contact your agency's assigned budget analyst for assistance. Assignments, phone numbers, and e-mail addresses for OFM budget analysts are available at <http://www.ofm.wa.gov/assign/assign4.htm>

BUDGET HELP DESK

General budget questions can also be directed to Budget Division Operations staff at the following e-mail address: ofm.budget@ofm.wa.gov

To accommodate persons with disabilities, this document is available in alternative formats and can be obtained by contacting the Office of Financial Management at (360) 902-0557 or TDD (360) 902-0679.



2005-07 OPERATING BUDGET INSTRUCTIONS, PART I
Guidelines for Strategic Plans and Performance Measures

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About the Instructions

The 2005-07 budget instructions are in two parts

The 2005-07 Operating Budget instructions will be issued in two parts.

Part I: Strategic planning and performance measure guidance

Part II: Operating Budget request instructions
-targeted for release in April 2004

What is in the Part I instructions?

Part I of the 2005-07 budget instructions includes:

- A description of our state's strategic planning and performance management framework;
- Strategic planning requirements; and
- Performance measurement requirements for the budget submittal.

Would anyone outside of the budget office find these instructions useful?


Yes. We recommend that program managers and agency executive management review these instructions so they can assist their budget staff in developing a compelling budget request that is anchored to the agency strategic plan and clearly supports the achievement of statewide result priorities.

Look for the sign for new items

We use this symbol to flag new requirements or information found in the 2005-07 instructions. Some key new or changed requirements include:

- Agency strategic plans are due May 1, 2004, rather than in the summer with the rest of the agency budget submittal. As a result, no additional Budget Jump Start materials are required.
- Some required elements of the strategic plan have changed. See Section 1.2 for more details.

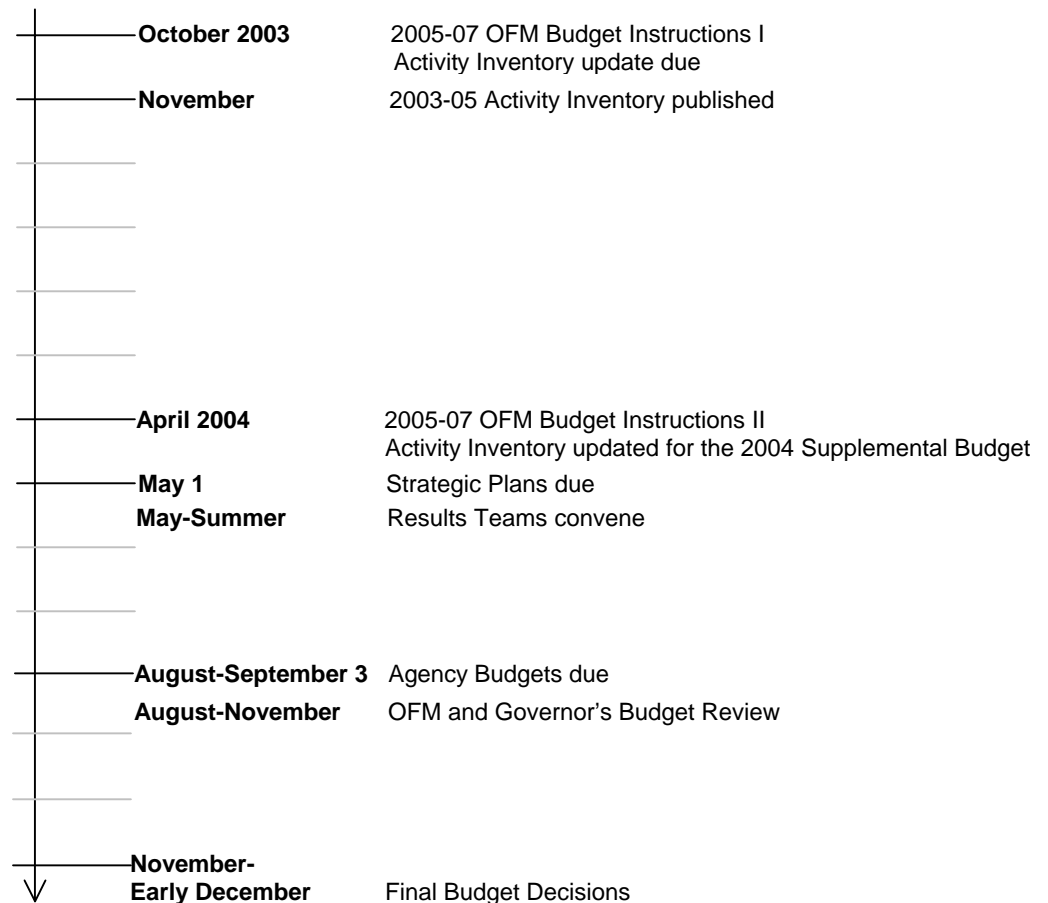
- Performance measures estimates for the 2005-07 Biennium are due with the budget submittal and are not required as part of the strategic plan document due May 1.
- Agencies will link performance measures to activities rather than to agency goals. See Section 2.1 for more details.

Look for the  sign to find items required for submittal

The Part I budget instructions intend to offer useful context information in addition to actual submittal requirements. Use this symbol to help find budget submittal requirements quickly.

Timeline of major budget events in the current year

For general planning purposes, here is the expected timeline of the major budget events in preparation of the Governor's budget.





SECTION 1

Strategic Planning

1.1 The strategic framework for budget decisions



The 2003-05 budget process created a new strategic framework

Governor Locke's Priorities of Government approach for developing the 2003-05 budget created a strategic framework for Washington State government. It starts with several basic questions:

- What are the results that citizens expect from government?
- What strategies are most effective in achieving those results?
- Given the money available, which activities should we buy to implement those strategies?
- How will we measure progress?

The approach uses performance information in a slightly different way than in the past. Rather than focusing entirely on individual agency performance measures tied to agency strategic plan goals and budget levels, the process also examines how effectively the activities of government contribute to statewide results and performance indicators.

This approach proved effective in helping budget decision makers better understand the activities, costs, and outcomes of state government, from the view of the entire enterprise. We will continue to use this strategic framework for the 2005-07 budget development process.

Statewide results that citizens most expect

For the 2005-07 budget development effort, we have identified 11 critical statewide results that citizens expect from government. These results are listed in the table below, along with some proposed indicators to measure the state's progress in achieving them.

Statewide Results	Key High-Level Indicators <i>(Note: These are being refined)</i>
1. Improve student achievement in elementary, middle, and high schools	<ul style="list-style-type: none"> • Reduction in gaps in test scores between ethnic and income groups • Percent of students meeting Washington Assessment of Student Learning standards • High school graduation rate
2. Improve the quality and productivity of our workforce	<ul style="list-style-type: none"> • Percent of employer demand met for jobs below BA level • Percent of businesses reporting difficulty in hiring workers with specific skills • Percent of prime working age population employed • Percent of state labor force employed • Average wage of Washington state workers
3. Improve the value of a state college or university education	<ul style="list-style-type: none"> • Percent of adults completing post-secondary certificates or degrees • Gap between projected job demand and supply of workers in "high demand" fields
4. Improve the health of Washington citizens	<ul style="list-style-type: none"> • Index measure of change in selected health indicators • Percent of state citizens who rate their individual health as "good" or "excellent" • Percent of state population with health insurance
5. Improve the security of Washington's vulnerable children and adults	<ul style="list-style-type: none"> • Percent of state population living above poverty level • Index measure of children living in permanent, safe homes • Percent of adults leaving state assistance who remain off assistance for at least one year
6. Improve the economic vitality of businesses and individuals	<ul style="list-style-type: none"> • Percent of prime working age population employed • Median household annual income • Percentage point change in poverty rate • Index measure of the cost of doing business in Washington
7. Improve statewide mobility of people, goods, information, and energy	<ul style="list-style-type: none"> • Index of state energy prices • Average peak travel time • Percent of households with an internet connection • Growth in energy and transportation prices compared with household median income
8. Improve the safety of people and property	<ul style="list-style-type: none"> • Property and violent crimes per 1,000 population • Drinking driver fatalities per one billion vehicle miles
9. Improve the quality of Washington's natural resources	<ul style="list-style-type: none"> • Number of days Washington violates air quality standards • Percent of rivers and streams meeting water quality standards • Rate of conversion of land to urban use • Salmon and steelhead stocks rated as "healthy"
10. Improve cultural and recreational opportunities throughout the state	<ul style="list-style-type: none"> • Availability/access to cultural and recreational opportunities • Participation in cultural and recreational opportunities • Satisfaction with cultural and recreational opportunities
11. Improve the ability of state government to achieve its results efficiently and effectively	<i>Measures for this result area are under development.</i>

Linking the agency strategic plan to statewide results

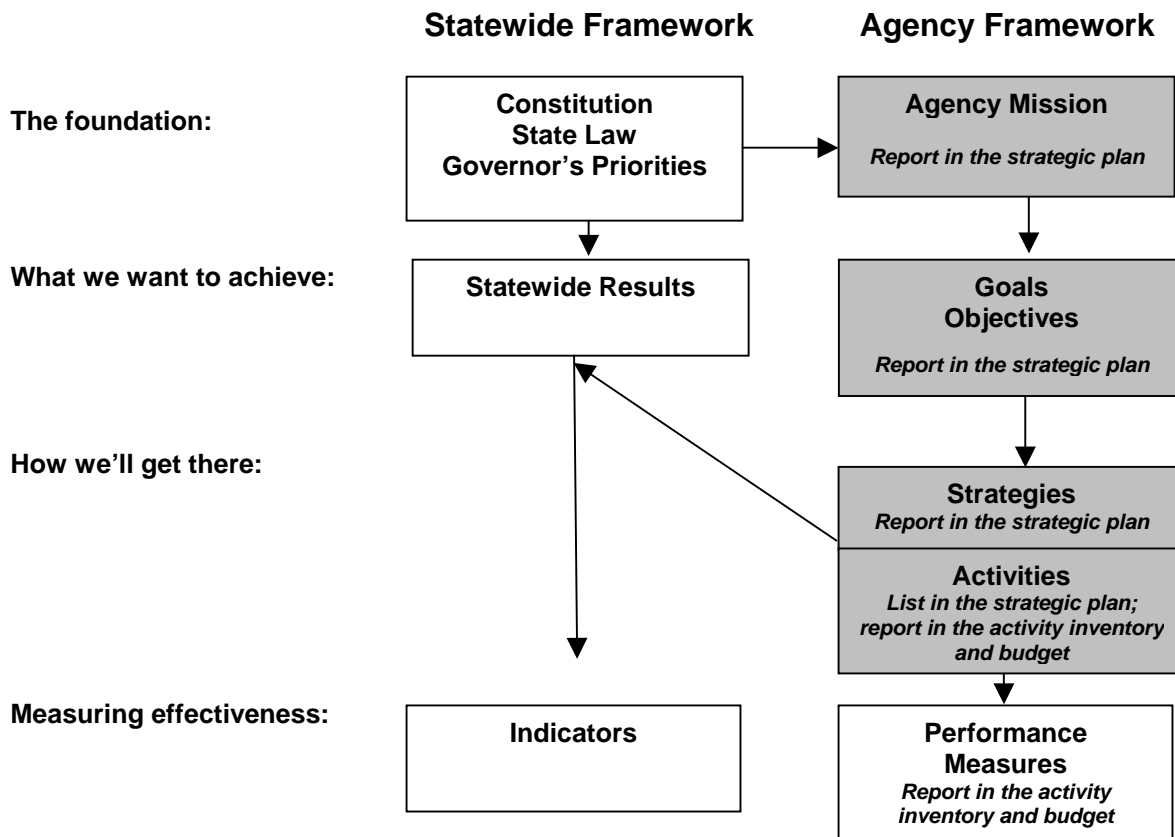


This year we want to better understand how each agency's mission, objectives, and strategies link and contribute to the statewide result priorities. We hope to accomplish this through some changes in the strategic plan requirements, better integration of activity inventory information, and a more focused, streamlined approach to performance measurement.

The chart below illustrates relationships between some of the statewide and agency strategic planning elements. As in the past, we ask that the strategic plan include the agency mission, the goals and objectives that define where the agency wants to be, and a description of the strategies the agency intends to use to get there.

This year we also ask that agencies help us understand the connection between agency strategies, related activities, and statewide results. Because the Priorities of Government budget approach relies, in part, on understanding the expected results of agency activities, the Office of Financial Management (OFM) will focus its performance measure review on activity-related measures.

Shaded items are included in the agency's strategic plan



Strategic plan information is crucial for agency and statewide investment decisions

The budget is one of the most important tools for implementing policy and achieving results. In its review of agency budget requests, OFM will ask these key questions:

- What are the most effective strategies and activities in which to invest?
- How do we know we are purchasing these activities at the best possible price?
- Given financial or other constraints, how can we maximize the results that citizens want?

The agency strategic plan and activity inventory information should play key roles in answering these questions. The best budget proposals are persuasive not only at the agency level but within the broader statewide context that OFM and the Legislature must consider in making decisions. Proposals that can discuss the value and benefits of the outcomes they intend to deliver to the state will make a stronger case.

More information on performance management is available

The strategic framework discussed in this section touches on only a few of the components of a complete performance management system. For more comprehensive information about performance management, turn to the Appendices or the Governor's Governing for Results web site:

<http://www.governor.wa.gov/improve/quality/practitioners/practitioners.htm>

1.2 Agencies need to submit a strategic plan

The strategic plan provides answers to key strategic and management questions

Whether called strategic planning, business planning, or something else, a successful agency needs to develop thorough answers to these critical questions:

1. **Where do we want to be?** Vision statements, goals, objectives, and performance targets provide the answer.
2. **Where are we today?** Mission statements, statutory references, measures of current performance, customer needs assessment and satisfaction levels, partner and supplier capability assessments, measures of organizational and staff capacity, efficiency and process measures, and risks are elements describing an agency's current state.

3. **How do we intend to close the gap between where we are and where we want to be?** Strategies, workplans, performance agreements, budgets, staffing plans and business plans are all part of identifying the gap and the preferred ways to close it.

**Submit a strategic plan
by May 1, 2004**



As part of the budget submittal, agencies must provide strategic plan information covering the next six-year period (Fiscal Years 2006 to 2011). The goals and strategies proposed for the next two years (2005-07 Biennium) should be the basis for your agency's 2005-07 Operating and Capital Budget requests.

At this time, we are planning to reconvene teams around each statewide result area in the spring to review statewide strategies and priorities. In order to provide the teams with good information for their deliberations, we ask that agencies submit strategic plans by May 1, 2004 rather than with the rest of the budget documents later in the summer.

The May 1 due date is several months earlier than agencies have submitted plans in the past. We recognize that circumstances in agencies are continually changing and that any plan will be based on the best available information at the time. Much of the strategic plan information is most valuable to OFM at the beginning of the budget development cycle. We, therefore, would like to have the best strategic information available in the spring, even though some of the elements described in the plan may change by the time the budget is submitted.

We have separated some of the former strategic plan requirements most tied to the budget proposal—such as performance measures—from the strategic plan document due in May and will ask that agencies submit these elements later in the summer with the budget submittal.

What are the required components of the strategic plan?



Ideally, the agency strategic plan is created through a data-informed process that begins with an assessment of the internal and external environments. The product of this assessment is an inventory of internal strengths and weaknesses, and external threats and opportunities. From this analysis, the agency can identify the critical issues, risks, obstacles, and opportunities that must be addressed through strategies implemented during the period covered by the strategic plan.

While agencies may prepare more detailed plans for internal use, the strategic plans submitted to OFM must contain the elements listed below. When examining a topic, consider the current state, trends from the recent past, likely future trends, and the trends' impact on the agency and its ability to realize its mission, goals, and objectives.

**A. Mission statement
(Required)**

An agency's mission statement describes its reason for existence in general terms that capture its unique purpose and functions. It typically describes the organization, what it does, why it does it, and for whom. Refer to Appendix A-1 for examples.

**B. Listing of statutory
authority references
(Required)**

The authority statement is a brief reference to the enabling legislation and statutes that authorize the establishment and operation of agency programs.

**C. Goals
(Required)**

Goals are broad, high-level, issue-oriented statements of an organization's desired future direction or desired state. Goals elaborate on the organization's vision statement, articulating the overall expectations and intentions for the agency. They should fit well with the mission statement and values, and answer the question, "What do we need to achieve to carry out our mission?" Refer to Appendix A-1 for examples.

**D. Objectives
(Required)**

Objectives break down goals into smaller, more specific pieces. They describe the measurable results an agency is expected to accomplish within a given time period. Refer to Appendix A-1 for examples.

E. Strategies
(Required)

Strategies are statements of the methods for achieving goals. While goals and objectives state what the organization wants to achieve, strategies state how goals will be achieved. Strategies guide the activities that the agency uses to achieve goals and objectives. Refer to Appendix A-1 for examples.

For each strategy:



- Show the connection to achieving agency goals and statewide results.
- List any activities in the agency's activity inventory that are involved in implementing that strategy. A list of the activity titles (or some kind of link or reference to activity titles) is all that is required. **We do not want agencies to duplicate activity description information already contained in the activity inventory.**

Other planning documents will influence strategies in the agency strategic plan. For example, the agency's sustainability plan required by Executive Order 02-03 and the agency's approach to establishing service delivery standards per Executive Order 03-01 should be considered when developing strategies. Please note any strategies in the strategic plan that support established multi-agency plans (i.e., Salmon Recovery Strategy, Puget Sound plan).

F. Appraisal of external environment
(Required)

It is important for budget decision makers to understand the environment in which the agency's activities must operate, and to assess the impact of forces in the outside environment that can affect the agency's ability to realize its objectives or that may have implications for budget proposals. For example:

- How do potential changes in the economy affect clients or demand for the agency's services?
- Are populations the agency serves growing at rates significantly different than the Initiative 601 growth rates?
- What potential partners exist in the external environment and how could they enhance our ability to get the results?
- What other risks and threats could affect (for better or worse) the needs of our capacity?

The agency should provide a clear, concise description of the significant effects that the external environment has on the agency and its activities. Here are some sample topics and resources that may be relevant to your assessment:

- The National, State, or Local Economy
 - √ *Possible Source:* Office of the Economic and Revenue Forecast Council quarterly economic and revenue forecasts: <http://www.wa.gov/ofc/home.htm#Revenue%20Forecast%20Press%20Releases>
- Population, demographic, and caseload trends
 - √ Key trends and forecasts by relevant cohort, geographic area
 - √ *Possible Source:* Office of Financial Management population, demographic, economic, and other trend data, with links to other entities with related data, which can be accessed at <http://www.ofm.wa.gov/forecasting/sitemap.htm>
 - √ *Possible Source:* Office of the Caseload Forecast Council's forecast and trend data for K-12 enrollment, social service caseload, and prison populations, accessible at <http://www.cfc.wa.gov/>
- Assessment of trends in the service area, market, or industry
- Changes in the Authorizing Environment
 - √ Federal, state, and local government
 - √ Trends and outlook for key issues such as access, possible changes in laws and regulations, cost escalation, funding and reimbursement patterns, taxation, debt
 - √ Executive, judicial, and legislative branch actions and trends
 - √ Public opinion
 - √ Authorizing environment and stakeholder expectations of the agency
 - √ Agency trends in meeting those expectations

G. Trends in customer characteristics
(Required)

The agency may be experiencing trends in customer characteristics or demographics that might indicate the need to modify services and/or service delivery methods. What are the needs, preferences, and expectations of the agency clients? Is the client population growing? Are there better ways to reach and provide services to the client group to meet their expectations?

H. Strategy and capacity assessment
(Required)



Use this section to explain planned shifts in your agency's operational, capital facility, workforce, or technology strategies. Will civil service reform and contracting out affect your operations significantly? How does the agency staffing and organizational capacity compare with its tasks? Does the agency see a need or opportunity for a shift in technology or service delivery methods?

I. Performance assessment
(Required)

Please review your most recent performance measure information (for example, results as of the end of the third quarter) and analyze any variances.

- How do your performance results compare to those of other similar organizations, or to recognized industry standards? If your agency's performance differs significantly from the top performers or the industry standard, what factors account for the difference in performance?
- If your actual performance is different than expected at this point, why?
- In those cases where performance targets were not met, what have you done to date to try to close performance gaps?
- Has your performance evaluation identified emerging issues, changing needs, or performance improvement opportunities for the next biennium?

J. Financial health assessment
(Required, if applicable)

Describe any trends in revenue sources, fund balance changes, or cost pressures that may affect the agency's financial sustainability.

K. Description of cost reduction strategies
(Required, if applicable)



Please provide information about any cost reduction strategies the agency has successfully implemented over the last several years. Describe any new cost reduction strategies planned for the strategic plan time period. This information will be valuable in our efforts to show citizens the state's success in cost management and cost savings.

L. Discussion of activity links and major partner
(Required if applicable)

If applicable, agencies should describe key initiatives involving major partners, such as other state agencies. Describe each partner's responsibilities and trends affecting partners and relationships with partners. We strongly encourage agencies to coordinate with these major partners and with OFM during the budget development process to share initiatives and plans.

Many agencies have noted the importance in understanding the dependencies and connectedness of certain activities in making decisions about them. Use this section to discuss these critical linkages.

1.3 Optional strategic plan elements

Optional but desirable strategic plan elements

The following elements are an important part of the strategic planning process but are not required for the strategic plan submittal to OFM. Agencies will be asked to provide this type of information in support of budget decision package requests to help OFM analysts answer the questions listed in Section 1.5. (Decision packages are a component of agency budget requests and will be described in detail in the Part II budget instructions.) If an agency feels it would be relevant or compelling to include these optional items in the strategic plan submitted to OFM, we would welcome the information.

M. Risks, obstacles, and opportunities that the agency faces (Optional)

The agency may want to include in its strategic plan a description of any risks created by the plan, the risks of not fulfilling the plan, or particular obstacles and opportunities that affect success.

N. Internal resource assessment (e.g., staff, facilities, technology) (Optional)

Before making a budget request, we assume that an agency will have taken stock of its strengths and weaknesses as an organization, examining factors within the agency that can positively or negatively affect its ability to accomplish its mission, goals, and objectives. The agency self-assessment can provide information to address these questions. Areas to consider include, but are not limited to, the characteristics of its staff, technology, capital facilities, and supplier relationships.

Agencies should also review their current ten-year capital plan and note adjustments to the plan related to changes in the external environment, organization, or service delivery. For example, caseload predictions for 2005-07 may necessitate an earlier construction start for the associated new capital facility, reprioritization, delay, or abandonment of other projects.

Other topics agencies may want to consider include:

- Effectiveness and costs of agency processes
- Recruitment and retention trends
- Effectiveness of managers
- Trends in workplace safety and employee well-being
- Alignment between agency goals and staff competencies
- Trends in employee job satisfaction
- Availability and adequacy of information technology, and implications for service delivery
- Ease of use of information technology tools

- Adequacy of capital facilities, and implications for service delivery, current and future
- Facility usage and maintenance trends
- Availability of data for management
- Trends in contractor availability, skills, and knowledge
- Trends in supplier availability and product quality
- Trends in partner availability and product quality

Possible Source: Agency self-assessment, available at:

<http://www.governor.wa.gov/improve/quality/practitioners/practitioners.htm>

O. Alternative strategies (Optional)

A discussion of alternative strategies considered but not chosen by the agency helps explain why the specific strategy was proposed in the budget. If applicable, an agency might describe the evaluation method used to determine which strategy has the best likelihood for success.

1.4 Additional guidance on the strategic plan

Is a specific display required for the strategic plan?

No. We simply would like the strategic plan to contain the required elements identified above. We recognize that agencies may display these and other elements in different formats.

Do all years of the plan need to contain the same level of detail?

No. The purpose of the last four years in the six-year strategic planning period is to generate some broad discussion of future trends and expectations. Therefore, we expect the description of the last four years in the strategic plan to be more general than that for the 2005-07 Biennium. Detailed strategies for the last four years are not required.

The strategic plan replaces the Budget Jump Start document, but not the conversation

In spring 2000, OFM initiated a "Budget Jump Start" process to facilitate the exchange of feedback and suggestions for the budget proposals to be submitted in late summer. OFM budget analysts have found this process to be very helpful preparation for budget development. The earlier submittal of the strategic plan this time removes the need for a separate Budget Jump Start document.

As part of the Budget Jump Start conversation, OFM will share information we gather about emerging economic, demographic, and policy issues. We will also share suggestions on how to strengthen agency strategic plans and budget requests.

Where can I find state fiscal context information?

OFM will provide updated fiscal context information on the budget page of the OFM website, <http://www.ofm.wa.gov/budget.htm>, in November based on updates to economic, revenue, and caseload forecasts.

We also encourage agencies to review information in Appendix A-5 regarding budget considerations related to Initiative 601 and the state debt limit.

Where can I find guides to developing a strategic plan?

You can find references and links to a number of strategic and business planning guides and resources in Appendix A-6. If you have any questions about whether your agency's strategic plan will satisfy the budget submittal requirements, please discuss them with your OFM budget analyst.

1.5 How OFM will use information in analyzing budget submittals

Strategic plans can offer important context for statewide prioritization

Next year OFM plans to reconvene teams around each statewide result area. The teams will assess trends, performance, opportunities, and risks in each result area and will advise OFM on the statewide strategies and activities most critical to achieving that result. Agency strategic plans could prove to be key resources to the teams' work.

How will OFM use plans and performance in analyzing carry-forward and maintenance levels?

The strategic plan should provide a clear picture of what the agency believes it needs to do to achieve its goals within identified constraints. It should tell the story upon which the financial plan is based. OFM analysts will compare the budget proposal with the strategic plan and try to answer the following questions:

- What is the agency required by statute to do?
- How will the agency know when it's successful?
- What performance is the agency achieving with current funding levels?
- What progress is the agency making toward its performance targets with its current budget? Do the current strategies appear to be effective?
- What changes in external environment and customer characteristics are affecting the budget? Are caseloads and demands for services likely to change? Why?
- If the agency funding levels remain the same, would it be able to maintain or increase its performance?

How will OFM use the strategic plan and performance measure information in analyzing policy and performance changes?

OFM will look to see if the strategic plan, the budget proposal description, and the proposed performance measures make the business case for any requested financial change. The information should help us answer the following questions:

- What changes in external environment, customer characteristics, internal capacity, or risks are driving this request? Has the agency clearly, explicitly, and with supporting data shown that a problem exists that needs solving or that an opportunity exists that could be capitalized on?
- What policy decisions are driving the request?
- How does the proposal link to the strategic plan or other relevant policy direction?
- Does the budget proposal make sense in the context of the plan, and performance measures?
- What is the priority of this proposed change compared to other proposed changes? What are the policy tradeoffs implied by this prioritization?
- How will this proposal affect other activities, agencies, and major partners? Have they been included in the development of this proposal?

- How does this proposal affect or relate to Governor's request legislation?
- What data can the agency supply to show that the proposed solution will be effective? Can it be tracked as a performance measure?
- Does the projected performance return for this proposed investment seem feasible? Does it seem compelling?
- How will this proposal enhance agency efficiency or reduce the costs of achieving results?
- Why this option and not others? What evaluation process led to this solution? Does the agency have outcome data to support its assessment? What else, besides requesting a funding change, has the agency done to address the problem?
- If not funded, would the agency decide not to proceed or would it reprogram other resources?
- Why is this change presented as an incremental increase instead of a reprioritization within the base?
- Will activity choices require changes in current facilities? What kind of changes? Over what period of time? How can these costs be minimized over this period?
- What is the performance impact of potential performance level funding reductions or activity elimination?



SECTION 2

Other Planning and Performance Budget Requirements

2.1 Performance measures

Performance measures define success and make it possible to track progress

Performance measures describe how success in achieving the agency goals will be measured and tracked. They also describe the results expected of agency activities. Performance measure targets provide the quantifiable answer to the question, "How will we know when we are successful in achieving our goal?" Analyzing the gaps between current performance levels and performance targets helps organizations identify priority areas needing improvement and develop strategies that will close the gap.

Agencies must submit performance measures for agency activities as part of the budget submittal next summer

In the past, we asked agencies to submit performance measure estimates for the ensuing biennium as part of the strategic plan. With the earlier due date for the plan this year, we are not requiring performance measures to be included in the strategic plan document. Instead, agencies must submit performance measure estimates for the 2005-07 Biennium as part of the budget submittal.

Only a core set of useful and verifiable performance measures relating to agency activities should be submitted to OFM. Agencies may utilize performance measures to track the accomplishment of more detailed objectives or operations for internal management purposes, but such performance measures need not be submitted to OFM.

The Part II instructions will provide the specific budget submittal dates for each agency and information on the format for budget information related to agency performance measures.

Measures will now be linked to activities rather than agency goals

In the past, OFM asked agencies to link performance measures to agency goals. As part of the new strategic planning framework, OFM wants to better understand the expected results and performance related to each agency activity. Therefore, agencies will identify performance measures for activities, and will not be asked to link performance measures to agency goals.

It is our plan that performance measure information will be maintained as part of the activity inventory data, and that agencies will enter and update this information in a new component of the Budget Development System (BDS), rather than in the Performance Measure Tracking and Estimating System (PMTES).

OFM will work with agencies on the transition to the activity-based approach

Through this transition from goal-based measures to activity-based measures, OFM hopes to maintain important trend data for previously tracked measures. OFM budget analysts will work with agencies over the next year on linking old measures to activities and identifying new measures for activities that need them. Agencies will also receive information about performance measure system changes.

Consult with OFM budget analysts on proposed performance measures



Please review your draft performance measure descriptions and targets for the 2005-07 Biennium with your OFM budget analyst prior to finalizing them. Analysts can help the agency better focus its measurement efforts, enhance the credibility of agency performance measures, anticipate reaction to refinement of performance measures used in prior biennia, and anticipate which measures likely will be selected by OFM for ongoing tracking and public reporting during the 2005-07 Biennium.

What types of measures should be submitted?

OFM is primarily interested in three types of performance measures, with outcome measures being the most important type:

Outcome measures

Report the results of the service being provided. These measures are the most significant because they indicate the impact on the problem or issue the program was designed to achieve.

Examples:

- 4th grade reading test scores
- Percentage of the population treated who are now free of the target disease
- Number of jobs of a certain income level created by firms receiving assistance

Output measures

Indicate how much work has been completed.

Examples:

- Number of products completed or services delivered
- Caseloads or headcounts in such areas as entitlement programs, corrections, or education
- Number of maintenance projects completed

Efficiency measures

Show the relationship between inputs (dollars or FTEs) to output or outcome.

Examples:

- Program expenditures per actual export-related job created by client firms
- Cost per case completed
- Number of investigations completed per FTE

What are the approaches to setting performance targets?

Ideally, performance measure estimates, or targets, for each fiscal year of the 2005-07 Biennium should be set based on comparative data. The agency can set its targets based on:

- Comparison to its own past performance
- Comparison to an established industry standard
- Comparison to an articulated customer preference (usually established through a customer survey)
- Comparison to performance of other comparable organizations




Where can I find guides to developing performance measures?

Appendix A-4 offers more information about different types of performance measures and refers to guides and resources for developing and using performance measures. Also refer to the OFM web site at <http://www.ofm.wa.gov/budget.htm>.

2.2 Business plans are required for some proprietary funds

**Agencies with certain proprietary funds must prepare business plans**

A proprietary fund finances the services it provides through user charges or on a cost-reimbursement basis. Sometimes the standard budget submittal information OFM requests cannot provide a complete picture of the operation of a proprietary fund. In these cases, agencies should provide additional business plan information with the budget submittal later in the summer. This additional information is only required for the agencies and funds listed below.

Business plan information is required for these funds	
Agency	Fund
Office of Administrative Hearings	484 Administrative Hearings Revolving Account
Attorney General	405 Legal Services Revolving Account
State Auditor's Office	413 Municipal Revolving Account 483 Auditing Services Revolving Account
Department of Corrections	401 Correctional Industries Revolving Account
Office of Financial Management	419 Data Processing Revolving Account
Department of General Administration	422 General Administration Services Account
Health Care Authority 	721 Public Employees' and Retirees' Insurance Account
Department of Information Services	419 Data Processing Revolving Account
Department of Labor and Industries 	608 Accident Account 609 Medical Aid Account 610 Accident Reserve Account 881 Supplemental Pension Account 883 Second Injury Account
Liquor Control Board 	355 Construction and Maintenance Account 501 Liquor Revolving Account
Washington State Lottery Commission	577 State Lottery Account 578 Lottery Administrative Account
Office of Minority and Women's Business Enterprises	453 Office of Minority & Women's Business Enterprises Account
Department of Personnel	415 Department of Personnel Service Account 419 Data Processing Revolving Account 455 Higher Education Personnel Service Account
Secretary of State	006 Archives and Records Management Account
Department of Transportation	410 Transportation Equipment Account
Public Printer	420 Printing Plant Revolving Account

What additional business plan information needs to be submitted on May 1?

The more descriptive and strategic assessment components of the business plan are due with agency strategic plans on May 1. Business plan components most closely tied to budget estimates are due with the agency's budget submittal. The following plan elements are due May 1.

Business Mission

What is the overall mission or purpose of the business?

<i>Business Description</i>	<p>Provide a brief description of the business enterprise:</p> <ul style="list-style-type: none"> • What does the business do? • What is the market niche or competitive advantage of the business? • What is the nature of the business product and/or services? • In what manner are the products and services produced or provided?
<i>Marketing Plan</i>	<p>For each business line please describe or provide:</p> <ul style="list-style-type: none"> • Other organizations attempting to meet the same market need. Assess the strengths and weaknesses of the state business relative to other providers. • The target market and customer characteristics • The business' marketing strategy • The key benefits and features of the product or service • Sales or demand forecast • Key changes in market trends or opportunities
<i>Operational Production Plan</i>	<p>This component of the plan explains how the business is going to operate and identifies the key activities that must be performed to meet the customer's request. The plan also identifies what resources are necessary to meet and complete these transactions.</p> <p>For each business line please describe or provide:</p> <ul style="list-style-type: none"> • Facilities assessment • Key equipment and technology requirements • Labor requirements • Management requirements • Key supplies requirements • Shipping/transportation requirements • Quality control requirements • Special workforce plans/programs • Outline of daily operations • Significant changes, challenges, or opportunities related to business operations
<i>Performance Assessment</i>	<p>Provide the same performance assessment elements of the business outlined in the strategic plan requirements in Section 1.2-I.</p>
<i>Strategic Assessment</i>	<p>Describe the key problems and/or opportunities facing the business enterprise. Discuss key strategies the business is considering to address them.</p>

**Business Plan
Requirements Due with
the Budget Submittal**

The financial plan

For each business enterprise, please provide the following for the biennial budget period:

- Proposed pricing structures and strategy
- Projected annual Statement of Revenues, Expenses, and Changes in Fund Net Assets with assumptions and notes
- Projected annual Statement of Fund Net Assets
- Statement of Cash Flows
- A discussion of financial goals (annual sales, annual profits, current ratio, debt-net worth ratio, and other appropriate financial indicators and objectives) and any key financial requirements (i.e., working capital requirements)

If an agency wishes to provide historical trend information for context we encourage them to do so.

**Performance
estimates**

Please refer to Section 2.1 for the instructions and expectations regarding budget related performance measures and estimates.

2.3 Strategic plans drive capital and technology planning

**Strategic plans should
address capital and
technology needs**

The strategic planning process should identify emerging issues related to agency capital and technology needs. Changes in caseloads, customer expectations, agency strategies, facility age, or digital government initiatives may create profound changes in an agency's facility and technology infrastructure requirements. Be sure that your strategic plan discusses the effects of your agency strategy on these needs.

**The Capital Budget
Instructions**

The OFM capital budget instructions will be issued next spring and will provide more information on budget submittal requirements and the expected links between the strategic plan and capital budget data.

**DIS Technology
Portfolio Management
Instructions**

The Information Services Board (ISB) has adopted information technology (IT) portfolios as the planning and management process for IT resources. The portfolio management process integrates agency strategic planning, technology planning, and the budget process. For the 2005-07 budget process, agencies making budget requests for IT investments should do so in the context of their IT portfolios.

ISB policies regarding portfolio management are available at <http://www.wa.gov/dis/portfolio>. Agencies should contact their assigned DIS Senior Technology Management Consultant for assistance or additional information.



Appendices

A-1 Examples of strategic plan elements

Hypothetical Agency Strategic Plan - Department of Public Health

Mission: The Department of Health works to protect and improve the health of the people of Washington State

Goal: Reduce tobacco use among adults, pregnant women and children

Objective: Reduce proportion of current cigarette smoking among adolescents in 10th grade

Strategy: Conduct a statewide tobacco prevention and control program

Activity: Develop and implement a PSA program targeted at youth

Output Measure: Number of airings of youth-oriented PSAs per month

Immediate Outcome Measure: Percent of 10th graders who recall hearing or seeing an anti-tobacco commercial within the last month

Intermediate Outcome Measure: Percent of 10th graders who do not smoke

Outcome Measure Target or Estimate: Reduce proportion of 10th graders who smoke by 2 percent per year

Ultimate Outcome Measure: Percent of Washington citizens using tobacco

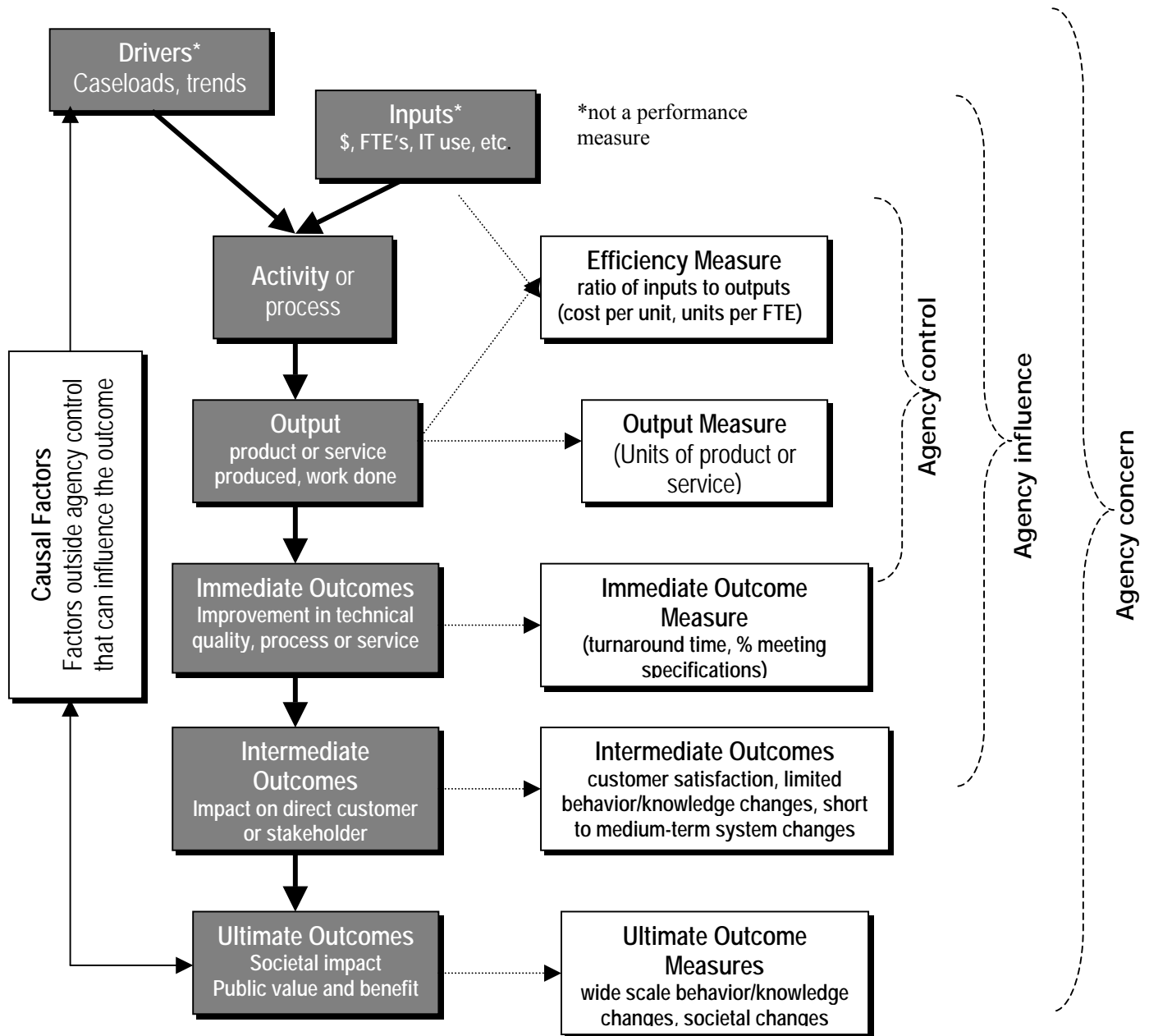
Operational Work Plan and Action Steps *(For illustration only; these are not required to be reported to OFM.)*

Teen Smoking Awareness Project	Responsible Party	Completion Date
Develop baseline survey of teen smokers and non-smokers		
Consultation with partners and stakeholders		
Secure contracts for PSA development		
Identify target markets		
Develop PSA and distribution plan with vendor		
Test PSA and pilot distribution		
Air PSAs in identified markets		
Conduct follow-up surveys		

A-2 Value chain links budget to results through outputs and outcomes

The value chain is a model that shows the linkages between budgeted inputs to an agency activity and one of the desired results. Agencies may find it useful in illustrating how the output or the immediate outcome of an activity contributes to higher-level outcomes.

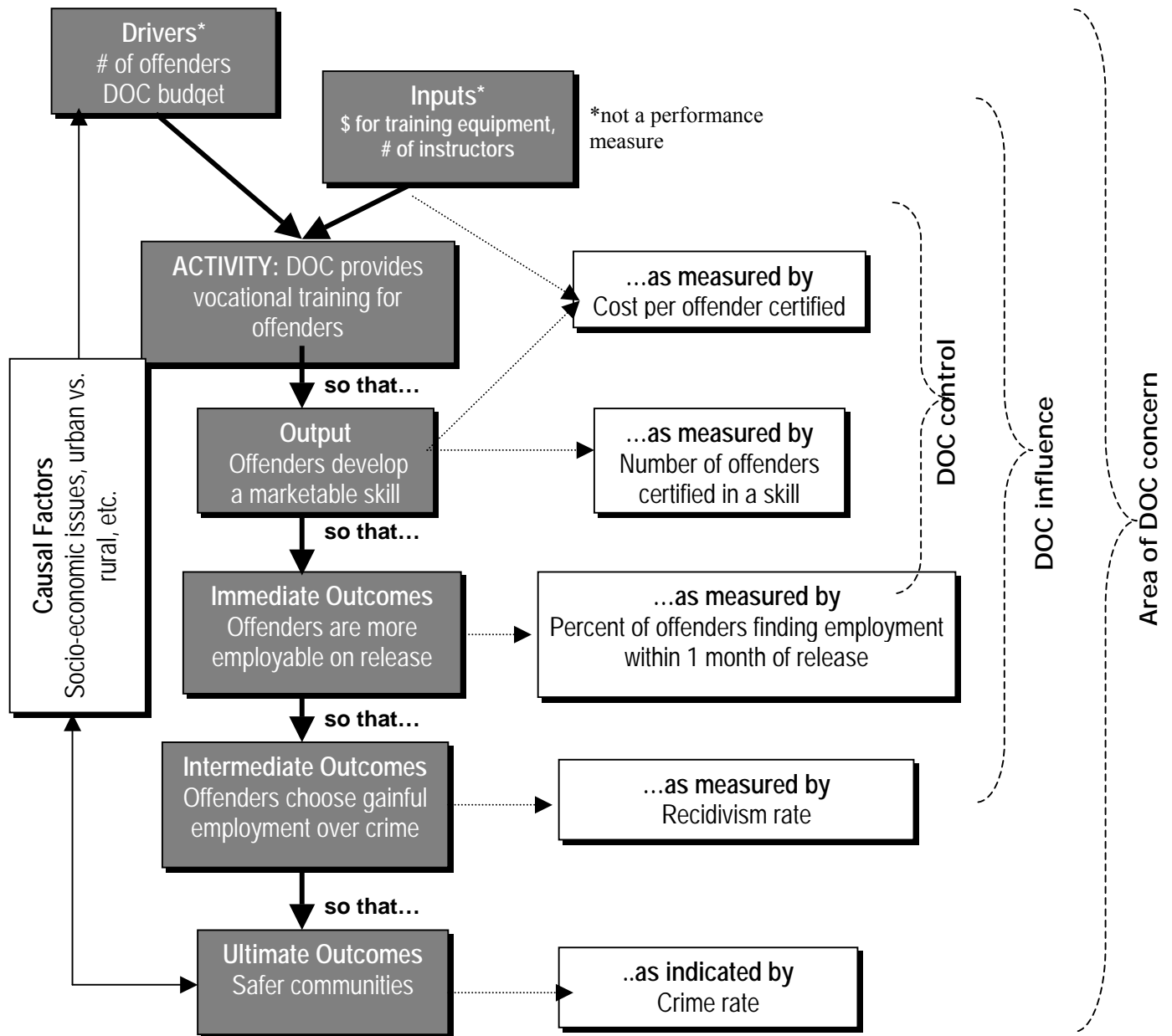
The value chain is very helpful in differentiating between the various levels of performance measures, and demonstrating how they are related. Also, it is useful in showing the degree of control the agency has at each level and the impact of other factors on the outcomes.



Example of a Value Chain for the Department of Corrections

The following example is intended to illustrate the value chain for the Department of Corrections' activity of providing vocational training to offenders. Clearly, the recidivism rate (ultimate outcome measure) is affected by many other factors, few of which are in the control of the Department of Corrections. However, the value chain helps explain why the agency engages in that activity and how it leads to the desired result.

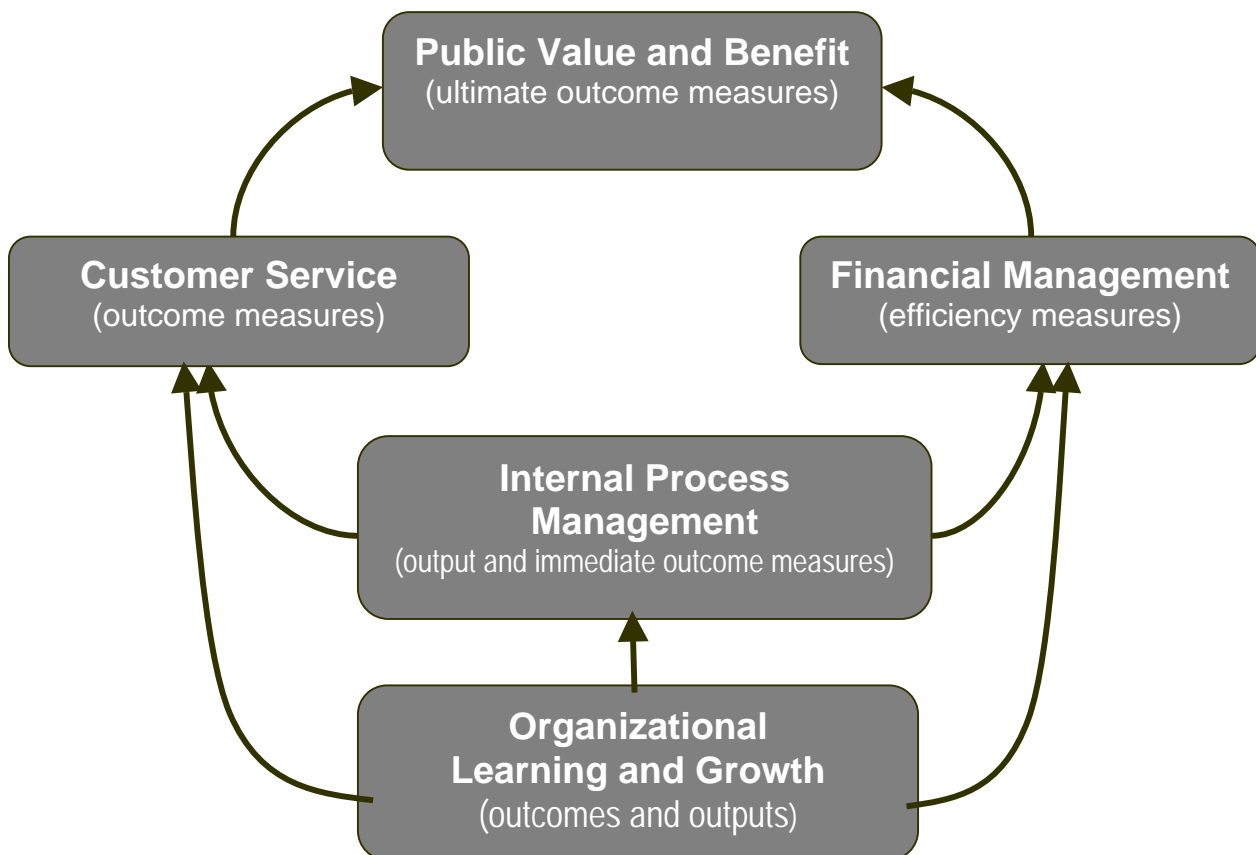
The example includes some *possible* measures for each link in the chain. Note that it is not possible or required to collect measures at every level for every activity. The decision about which measures to collect is a management decision and depends on the possible audience, their needs, and the availability of the data.



A-3 Using the balanced scorecard to develop plans and measures

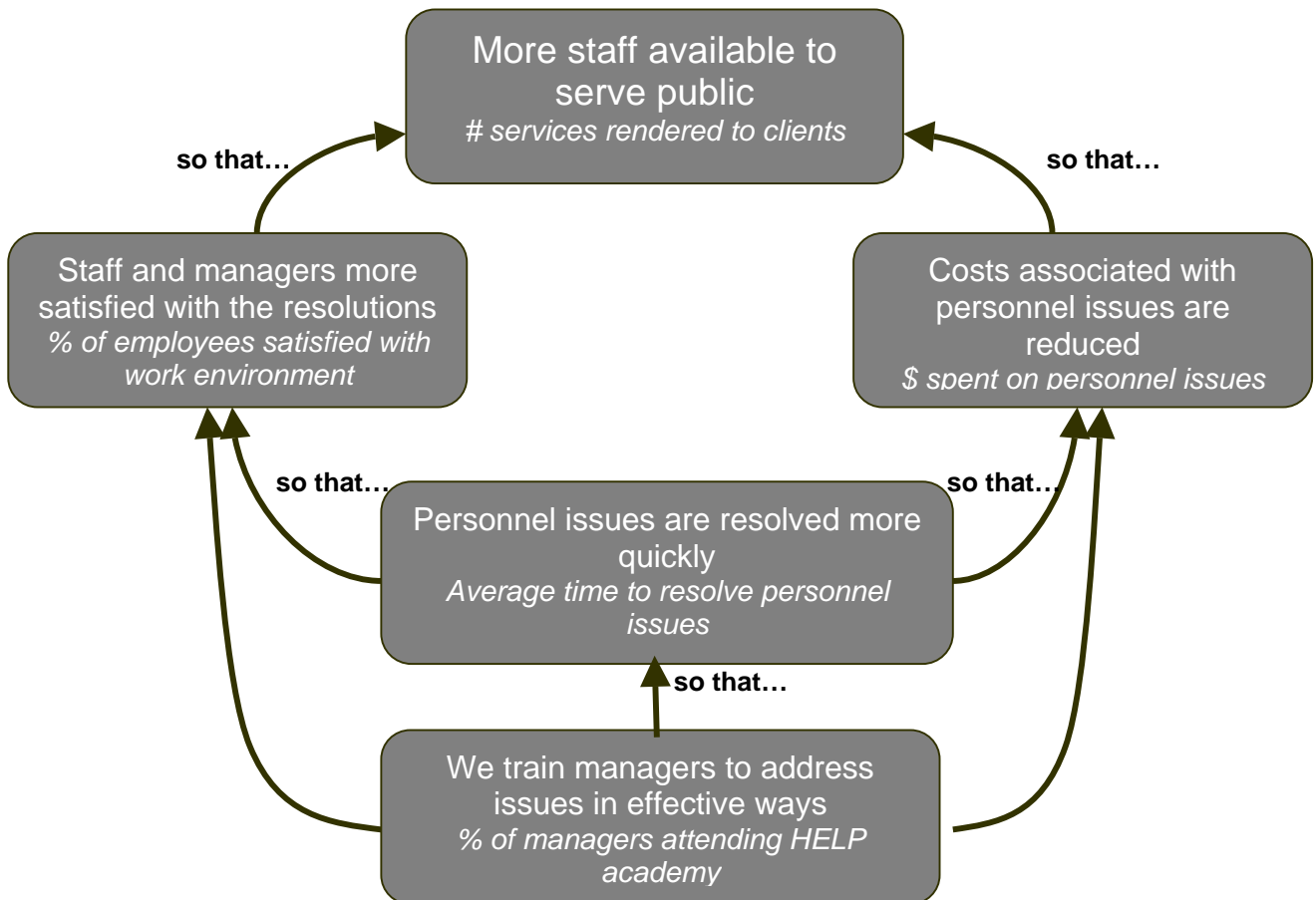
The balanced scorecard approach, popularized by Kaplan and Norton, gives us a framework that allows us to identify and address the often conflicting expectations of various constituencies. The approach draws its utility from the basic premise that **in order to succeed, an organization must evaluate and monitor performance from the perspectives of those it impacts, as well as those who can impact or influence its success.** Focusing on “decreasing costs” without considering the impact on “service” may increase the bottom line (or meet stringent budget targets), but may undermine customer satisfaction and employee morale. Focusing on compliance with specific programmatic mandates, without addressing their impact on the key constituencies can result in reductions in authority or funding, which can compromise the program’s viability.

The second basic premise of the balanced scorecard approach is that the agency’s success in achieving its programmatic goals is dependent on its investment in its staff and its attention to internal process management. The model illustrates the concept: If staff have adequate training and organizational support, they will be better equipped to optimize service delivery processes, which will result in improvements in customer satisfaction, as well as the bottom line. With satisfied clients and a solid financial footing, an agency is better able to fulfill its prime mission.



The balanced scorecard can help managers and staff develop more robust strategies. Identifying the expectations of stakeholders, customers, budgeters, managers, and staff makes it possible to address them in the strategies that are developed. At the same time, it provides a “balanced” array of key indicators that helps a manager keep an eye on all key aspects of a strategy as it evolves. See the sample scorecard from the Department of Social and Health Services (DSHS) on the following page.

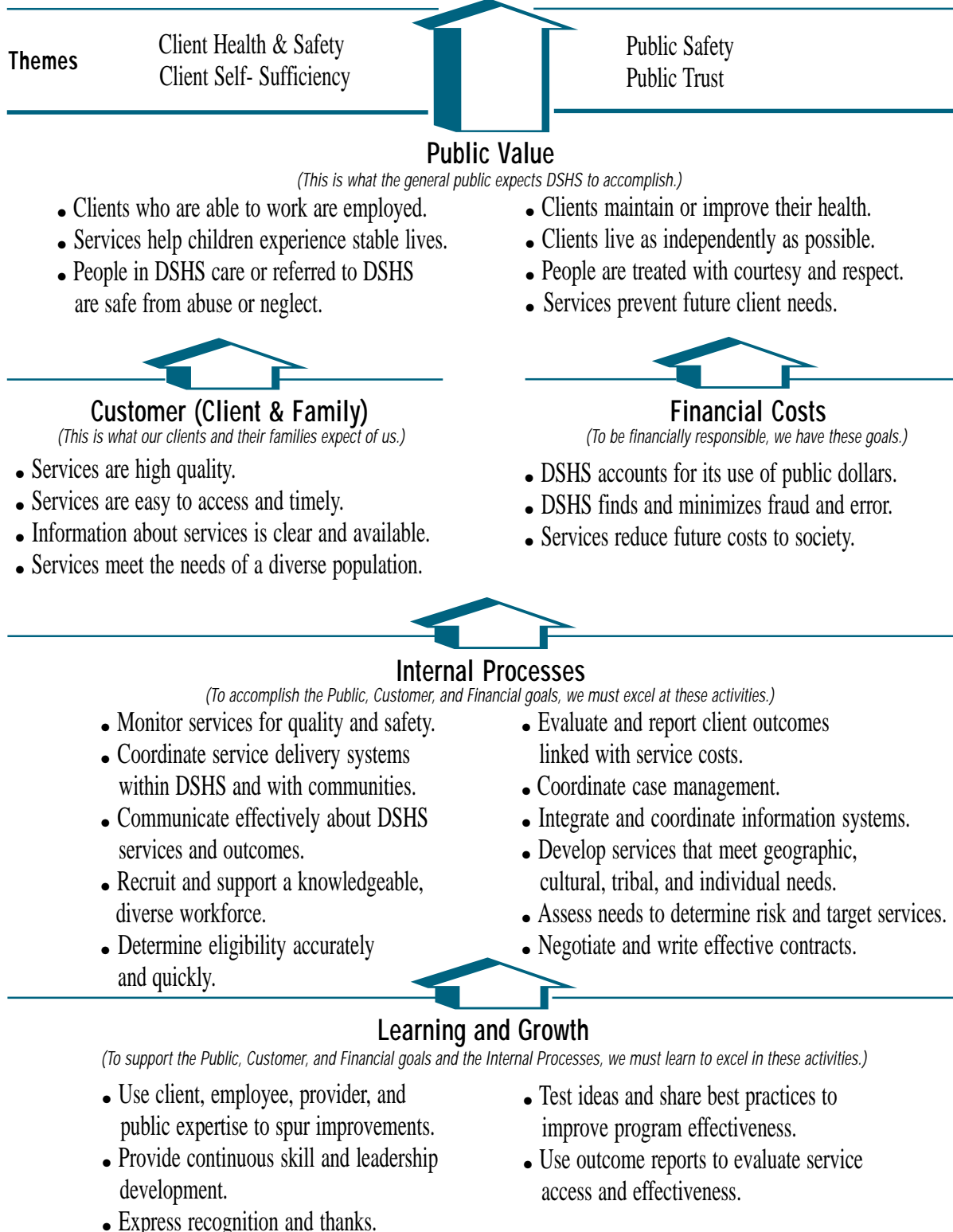
The balanced scorecard also prompts managers to consider the organizational supports, technology tools, and procedures that would have to be established in order to support the service delivery processes. The example below indicates how the balanced scorecard links organizational and support issues to mission accomplishment.



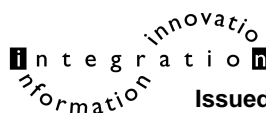


Six Year Strategic Direction (2001–2007)

*The Mission of DSHS is to improve the quality of life for individuals and families in need.
We will help people achieve safe, self sufficient, healthy and secure lives.*



August 2000



A-4 Tips for measuring performance and setting targets



Measures should be...

What is measured tends to get done. Performance measures are a critical element in an agency's strategic plans because they specifically define the results the agency intends to achieve. This document outlines the attributes that performance measures and targets should have.

Reliable and verifiable

Performance measures should be as valid and reliable as possible, with some consideration to relative significance. For example, a process that affects the health and safety of children warrants performance measures with the highest degree of validity and reliability. A long-standing, routine process that does not affect health and safety might be measured through less precise methods.

Appropriate for their intended use

Performance measures should be selected with consideration to the decision maker who will use them. Agency managers, OFM, the Legislature, and the Governor need different measures based on the decisions they are expected to make. The best way to know what measures are needed by your given customer group is to ask them what measures would be useful to them, and in what form they should be expressed.

Measures used to report performance to customers and stakeholders should be based on the customer and stakeholder views of what is important and what measures are credible. This also applies to the scale of the measure and the frequency of data collection. Managers need measures that reflect process outputs and immediate outcomes, taken at frequent intervals. Legislators and budget analysts will take a longer-term and higher-level view. They will generally be interested in measures of immediate or intermediate level activity outcomes, or key outputs that are key budget assumptions and drivers.

Timely

Data should be collected and reported as close as possible to the point in time when products and services were actually generated. It is difficult to make timely management and budget decisions when data lags actual agency performance by a substantial period.

Understandable

State the measure in simple, clear, brief terms that would be understandable to those not familiar with the program. Avoid the use of jargon and acronyms.

At the right level of accountability

A measure is only a measure of *performance* if it is tied to activities and results that the agency can affect. High-level societal indicators are useful for describing the environment in which the agency works, but since the agency cannot reasonably influence them, they are not performance measures. In such cases, the agency may want to look at intermediate measures that they can influence (i.e., turnaround time, customer satisfaction, or knowledge or behavior changes among the agency's clients).

Cost-effective in work and number

Choose the lowest-cost approach to measurement that will still yield information that is useful and credible.

Numerous performance measures are not always desirable, since they can be too detailed to an outside audience and blur the link to broader goals and strategies.

Targets should be challenging, but achievable

Targets of future performance should be based on baselines of current performance and realistic assessments of what is possible. Without changes to a process, there is no reason to establish a target that is any different from the existing performance level. If the agency is initiating a new measure and has no experience, targets can be based on a literature search or survey of comparable organizations.

Types of Performance Measures

Measure Type	What It Does	Examples	What It Is NOT
OUTCOME <ul style="list-style-type: none"> Societal impact Behavior changes Knowledge or attitude changes Technical quality Customer satisfaction Process vital signs (such as accuracy rates, turnaround time) 	<ul style="list-style-type: none"> Shows the impact of agency activities on problems/issues they are designed to address Answers the question, "What is different about the world?" Measures goal/objective attainment 	<ul style="list-style-type: none"> Overall employment rate Employment rate for job-training participants Percentage of employers rating job training program placements as "good" or "excellent" Job training application processing time 	<ul style="list-style-type: none"> <i>Backlog reduction</i> <i>Outputs expressed as percentages</i> <i>State funding received</i> <i>Action steps</i> <i>Work plan elements</i>

OUTPUT	<ul style="list-style-type: none"> • Shows the work accomplished • Identifies products and services produced • Answers the questions, "What was done?" and "How did we get there?" • Measures success of strategies 	<ul style="list-style-type: none"> • Number of vehicle licenses issued • Number of vaccinations given • Number of students attending school • Number of offenders housed in correctional facilities 	<ul style="list-style-type: none"> • <i>Demand for services</i> • <i>Potential work to be done</i> • <i>Projects or activities begun</i> • <i>Backlog</i> • <i>Spending patterns</i>
EFFICIENCY	<ul style="list-style-type: none"> • Shows relationship between inputs and outputs, or inputs and outcomes • Answers the question, "What are the unit costs?" • Usually expressed as a ratio, such as cost per unit, or units per FTE 	<ul style="list-style-type: none"> • Cost per training class delivered • Investigations completed per FTE • Average cost per offender per day supervised • Administrative cost per retirement benefit provided 	<ul style="list-style-type: none"> • <i>Total spending on programs or services</i> • <i>FTEs funded</i>

A-5 Spending limit considerations

A5.1 Initiative 601 and budget considerations



What are the specific requirements of I-601?

Initiative 601 was passed by voters in November 1993 and placed limits on growth in state General Fund expenditures and on taxation and fees. There are several key provisions of I-601:

***General Fund-State
spending limit***

- Establishes annual limits on General Fund-State expenditure growth based on a rolling three-year average of inflation and population growth ("fiscal growth factors"). Fiscal growth factors are based on the past. For example, the fiscal growth factor for Fiscal Year 2004 of 3.2 percent is based on average inflation and population growth for fiscal years 2000, 2001, and 2002. (It is important to remember that these fiscal growth factors apply to the state General Fund budget in total and not to individual programs or agency budgets.) The preliminary fiscal growth factor for Fiscal Year 2005 is 3.03 percent.

***Limitations on fee
increases***

- Prohibits agency fee increases from exceeding the fiscal growth factor unless there is legislative approval.

***Fund shifts that
change the limit***

- Requires that the spending limit be adjusted for fund shifts. Any proposed shift of program costs from the general fund to a dedicated fund would reduce the spending limit; and a shift in the other direction would increase it (whether or not the program shift is accompanied by a revenue shift). Any proposed transfer of revenue from the General Fund to a dedicated fund would reduce the spending limit; and a transfer in the other direction would increase it (regardless of whether the responsibility for program costs accompanied it).

Re-basing

- Requires that when actual expenditures fall below the spending limit, future limits be based on the lower amount. This adjustment has been termed "re-basing."

***Emergency Reserve
Fund***

- Establishes an Emergency Reserve Fund ("rainy day account") consisting of revenues collected in excess of the spending limit. Expenditures out of the Emergency Reserve Fund require a two-thirds majority vote in the Legislature.

***Two-thirds majority
vote for revenue
increases***

- Requires a two-thirds majority of both houses of the Legislature to increase revenues. (The Attorney General has interpreted this phrase to mean new or increased taxes.)

**What are the budget
implications of the
I-601 formula?**

Under I-601, General Fund-State spending limits are determined by growth in the number of people needing services (as represented by total population growth) and by changes in the cost of providing those services (as represented by general inflation). In fact, some populations or rates of inflation may grow (or decline) at rates different from the general population and inflation rates. Depending on the relative size of those portions of the budget, such differences in growth rates may put pressure on the total funding available under the I-601 spending limit.

A5.2 State debt limit considerations

**How the state debt limit
may affect the way you
prepare your budget
proposal**

The state's capacity to borrow money for certain types of capital construction is affected by how much the state can spend on debt service for general obligation bonds. This debt limit depends both on the amount of General Fund-State revenue collected and the cost of borrowing. The existing ten-year capital plan is based on assumptions of moderate growth in state revenues and slight increases in interest rates.

A-6 Guides and resources

Performance Measure Guides

Balancing Measures: Best Practices in Performance Management, U.S. National Partnership for Reinventing Government, August 1999.

<http://govinfo.library.unt.edu/npr/library/papers/bkgrd/balmeasure.html>

Budgeting for Results Handbook, State of Iowa, 1997-98. Contains step-by-step directions for developing program-level performance measures, and shows linkages to statewide and agency strategic planning.

Comparative Performance Measurement, by Elaine Morley, et al. Washington, D.C.: The Urban Institute Press. 2001.

Customer Surveys for Agency Managers: What Managers Need to Know, by Harry P. Hatry, et al. Washington, D.C.: The Urban Institute Press. 1998.

Designing Customer Surveys that Work, by Dick Zimmerman, et al., published in *Quality Digest*, October 1996. <http://www.qualitydigest.com/oct96/surveys.html>

Executive Guide: Measuring Performance and Demonstrating Results of Information Technology Investments, U.S. General Accounting Office, GAO/AIMD-98-89, March 1998.

Handbook of Practical Program Evaluation, by Joseph S. Wholey, et.al. San Francisco: Jossey-Bass Publishers. 1994.

Implementing Performance Measurement in Government: Illustrations and Resources, by Joni L. Leithe. Chicago, IL: Government Finance Officers Association. 1997.

Instituting Performance and Outcome Measures, by Public Knowledge, Inc., for the Washington State Department of Personnel (DOP). This manual is used in a DOP-sponsored training class of the same name.

Make Success Measurable!, by Douglas K. Smith. New York: John Wiley and Sons. 1999.

Managing for Results: Analytic Challenges in Measuring Performance, U.S. General Accounting Office, GAO/HEHS/GGD-97-138, May 1997.

Managing for Results: Challenges Agencies Face in Producing Credible Performance Information, U.S. General Accounting Office, GAO/GGD-00-52, February 4, 2000.
<http://www.gao.gov/archive/2000/gg00052.pdf>

Managing for Results: Measuring Program Results That Are Under Limited Federal Control, U.S. General Accounting Office, GAO/GGD-99-16, December 1998.

Managing for Results: Views on Ensuring the Usefulness of Agency Performance Information to Congress, U.S. General Accounting Office, GAO/GGD-00-35, January 26, 2000.
<http://www.gao.gov/archive/2000/gg00035.pdf>

Measurement Development Guide, South Carolina State Government Quality Network Association. <http://www.scsgin.org/Measurement%20Development%20Guide.PDF>

Measuring Performance: Strengths and Limitations of Research Indicators, U.S. General Accounting Office, GAO/RCED-97-91, March 1997.
<http://www.gao.gov/archive/1997/rc97091.pdf>

Measuring Up: Governing's Guide to Performance Measurement for Geniuses (and Other Public Managers), by Jonathan Walters. Washington, D.C.: Governing Books. 1998.
<http://www.gao.gov/archive/1998/gg98053.pdf>

Performance Measurement: Getting Results, by Harry Hatry. Washington, D.C: Urban Institute Press. 1999.

Program Evaluation: Agencies Challenged by New Demand for Information on Program Results, U.S. General Accounting Office, GAO/GGD-98-53, April 1998.

Utilization-Focused Evaluation, by Michael Quinn Patton. Beverly Hills, CA: Sage Publications. 1986.

Performance Measure Resources

Agency Performance Progress Reports, 2001-03 Biennium data, Washington State Office of Financial Management at www.ofm.wa.gov/budget.htm. Scroll down to Performance Measures and Activities by Agency, then select the 2001-03 Performance Progress Report. Prior biennium data can be found at <http://www.ofm.wa.gov/budget/manage/perfrept/9901/index.htm> (1999-01 Biennium) and <http://www.ofm.wa.gov/budget/manage/perfrept/9799/index.htm> (1997-99 Biennium).

The Florida Office of Program Policy Analysis and Government Accountability (OPPAGA) web site features reports that assess the performance of selected state agency programs operating under the state's performance-based program budgeting using their performance measures and standards. Reports include critiques of performance measures and measurement systems.
<http://www.oppaga.state.fl.us/budget/pb2publications.html>

The state of Illinois *Public Accountability Reports* for Fiscal Years 1999 and 2000 provide performance results for state agencies. <http://www.ioc.state.il.us/office/Project/download.cfm>

The state of Iowa publishes high-level outcome data for six policy areas (economy, education, health, safe communities, environment, and accountable government) on its *Results Iowa* web site. <http://www.resultsiowa.org/>

State of Minnesota *Minnesota Milestones* reports 70 indicators to track progress toward attaining goals for Minnesota's people, economy, environment, communities, and government. <http://www.mnplan.state.mn.us/mm/goal.html>

The state of Missouri *Show Me Results* web site reports selected performance measures related to the economy, education, health, safety, and responsible government. <http://www.mri.state.mo.us/default.htm>

Oregon Progress Board web site contains performance reports on the Oregon Benchmarks, as well as the *Oregon Shines II* statewide strategic plan. <http://www.econ.state.or.us/OPB/index.htm>

The state of Texas Legislative Budget Board web site includes appropriations bills containing agency performance measures linked to appropriation levels. http://www.lbb.state.tx.us/The_LBB/Menu.htm#Pubs

The commonwealth of Virginia *Virginia Results* web site publishes performance measures for state agencies. <http://www.dpb.state.va.us/VAResults/AgencyData/LookList.cfm>

Strategic Planning Guides and Resources

Guide for State Agency Strategic Planning, State of Iowa, Department of Management, 1999. http://www.dom.state.ia.us/departments/2003_strategic_plan.html

Managing for Results: Critical Issues for Improving Federal Agencies' Strategic Plans, U.S. General Accounting Office, GAO/GGD-97-180, September 1997 <http://www.gao.gov/archive/1997/gg97180.pdf>

Serving the American Public: Best Practices in Customer-Driven Strategic Planning -- A Federal Benchmarking Consortium Study Report, National Performance Review, February 1997 <http://govinfo.library.unt.edu/npr/library/papers/benchmrk/customer.html>

Strategic Business Planning: A Guide for Executive Branch Agencies, State of Connecticut, Department of Planning and Management, 1998. The guide offers a high-level overview of the planning process, a detailed description of the essential elements of a strategic business plan, and a glossary and bibliography on the subject.

Commonwealth of Virginia Department of Planning and Budget "Performance and Planning" web site, <http://www.dpb.state.va.us/VAResults/HomePage/PMMaterials.html>. Includes a guide for strategic planning and performance measurement, and a library of presentations on performance measurement.

Examples of good strategic plans from two Washington State agencies: Department of Corrections, <http://www.ofm.wa.gov/budinst03-05/part1/docstrategy.pdf>; and Department of Revenue, <http://www.ofm.wa.gov/budinst03-05/part1/dorstrategy.pdf>.

Performance Budgeting Resources

Performance Budgeting, Washington State Office of Financial Management PowerPoint slide presentation, <http://www.ofm.wa.gov/budget/manage/pergovinfo/perfmeasures.ppt>

Performance Budgeting: Initial Agency Experiences Provide a Foundation to Assess Future Directions, U.S. General Accounting Office, GAO/T-AIMD-GGD-99-216, 7/1/99.

Performance Budgeting: Initial Experiences Under the Results Act in Linking Plans with Budgets, U.S. General Accounting Office, GAO/AIMD-GGD-99-67, 4/12/99.

Performance Management Resources

The Balanced Scorecard, by Robert S. Kaplan and David P. Norton. Boston: Harvard Business School Press. 1996

The Breakthrough Strategy: Using Short-term Successes to Build the High-Performance Organization, by Robert H. Schaffer. Cambridge, MA: Ballinger Publishing. 1988

Creating High-Performance Government Organizations, Mark G. Popovich, Editor. San Francisco: Jossey-Bass Publishers. 1998

The Florida Office of Program Policy Analysis and Government Accountability (OPPAGA) web site features agency program evaluation and justification reviews. <http://www.oppaga.state.fl.us/budget/pb2publications.html>

Managing for Results: Strengthening Regulatory Agencies' Performance Management Practices, U.S. General Accounting Office, GAO/GGD-00-10, 10/28/99. <http://www.gao.gov/archive/2000/gg00010.pdf>

Performance-Based Management: Eight Steps to Develop and Use Information Technology Performance Measures Effectively, U.S. General Services Administration, Office of Governmentwide Policy, December 1996

Performance Measurement for Government web site contains information about performance measurement concepts and practice, and links to governmental performance measures by topic and by jurisdiction. <http://accounting.rutgers.edu/raw/seagov/pmg/perfmeasures/index.html>

The Reinventor's Fieldbook: Tools for Transforming Your Government, by David Osborne and Peter Plastrik. San Francisco: Jossey-Bass. 2000

The Washington State Joint Legislative Audit and Review Committee (JLARC) web site contains performance audits, sunset reviews and other studies, and the *Legislative Guide to Performance Measurement*. <http://jlarc.leg.wa.gov/>